

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 SP-02 COME-00 EB-07 LAB-04 SIL-01 SY-05

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 4888

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E.O. 11652: N/A

TAGS: ELAB, TH

SUBJ: THREAT OF VIOLENCE IN FIRESTONE TYRE STRIKE

1. SUMMARY. FIRESTONE TYRE AND RUBBER (THAILAND) LTD HAS BEEN THE SITE OF A BITTER LABOR DISPUTE WHICH HAS CLOSED THE PLANT FOR MORE THAN FORTY DAYS. THE COMPANY HAS CHARGED WORKERS WITH AN ILLEGAL STRIKE AND ACCUSED THEM OF MAKING UNREASONABLE DEMANDS ON THE LARGELY FRINGE BENEFIT ISSUES. WORKERS CHARGED THE COMPANY REFUSED TO CONSIDER THEIR JUST DEMANDS AND BARGAIN COLLECTIVELY WITH THEM IN GOOD FAITH. LONG-TIME FIRESTONE RESIDENT MANAGER AND FORMER AMERICAN CHAMBER PRESIDENT JACK MERCURO REPORTS THAT HIS LIFE AND THE LIVES OF HIS FAMILY HAVE BEEN THREATENED BY STRIKERS WHO CAME TO HIS APARTMENT BUILDING. HE AND HIS FAMILY HAVE FELT IT NECESSARY TO MOVE TO A HOTEL AND HIRE GUARDS FOR PROTECTION. REPRESENTATIVES OF THE STRIKERS, ACCOMPANIED BY A PROMINENT LABOR LEADER, HAVE BRIEFED US ON THEIR POSITION, AS HAS FIRESTONE. WE ARE URGING THESE TWO PARTIES TO GET TOGETHER. THE PRIME MINISTER IS ALSO MAKING AN EFFORT TO GET TALKS GOING AS PART OF A LARGER ATTEMPT TO RESOLVE OTHER LABOR DISPUTES AT THE DUSIT THANI HOTEL AND A TEXTILE FACTORY---NEITHER OWNED BY AMERICANS. THERE IS A GOOD CHANCE THE PARTIES IN THE FIRESTONE DISPUTE WILL RETURN TO THE BARGAINING TABLE SOON. END SUMMARY.

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2. SINCE 17 APRIL

FIRESTONE TYRE FACTORY ON THE OUTSKIRTS OF BANGKOK HAS BEEN CLOSED BY A LABOR DISPUTE. WHEN THE WORKERS WENT OFF, COMPANY REPRESENTATIVES CLAIMED THAT THE STRIKE WAS ILLEGAL SINCE A ONE YEAR CONTRACT WITH WORKERS EXISTED. MANAGEMENT DEMANDED THAT THE RTG LABOR DEPARTMENT FORCE THE EMPLOYEES BACK TO WORK. WORKERS DENIED THE COMPANY CLAIM AND THE LABOR DEPARTMENT DID NOT ASK EMPLOYEES TO GO BACK TO WORK.

3. TALKS BETWEEN THE TWO SIDES WERE DELAYED AND BEGAN IN A BITTER ATMOSPHERE BECAUSE OF THIS DISPUTE OVER THE LEGALITY OF THE STRIKE AND THE COMPANY'S FEELING THAT THE LABOR DEPARTMENT REFUSED TO ENFORCE THE LAW AGAINST THE AMERICAN COMPANY'S THAI NATIONAL EMPLOYEES. STRIKERS WERE PROBABLY ENCOURAGED BY THE SUPPORT THEIR ACTION RECEIVED FROM PROMINENT LABOR LEADERS AND THE LABOR DEPARTMENT. LABOR DAY CELEBRATIONS AND ATTENDANT FIERY RHETORIC ON MAY DAY PROBABLY PLAYED A ROLE IN HARDENING THE STRIKERS POSITION.

4. BARGAINING BEGAN LATE AND WAS TROUBLED THROUGHOUT. TALKS WERE INTERMITTENT WITH FREQUENT PERIODS WHEN THE BITTER PARTIES TO THE DISPUTE FAILED TO MEET. THE SITUATION AT PRESENT FINDS THE TALKS RECESSED SINCE FRIDAY, MAY 23.

5. AFTER TALKS BROKE OFF ON 23 MAY, JACK MERCURO WAS THREATENED WITH PHYSICAL VIOLENCE IN HIS HOME. STRIKERS SURROUNDED HIS BUILDING, HAMMERED AT HIS DOOR, AND THREATENED THE LIVES OF MERCURO AND HIS FAMILY. ONLY AN IMMEDIATE AGREEMENT TO BEGIN TALKS DEFUSED THE SITUATION. AFTER SOME PROGRESS IN THE ENSUING TALKS MERCURO CLAIMS THAT STRIKERS CALLED HIM UP THE NEXT DAY AND DELIVERED AN ULTIMATUM: ALL OF THEIR ORIGINAL DEMANDS TO BE MET OR THE STRIKE CONTINUES. SINCE THAT TIME MERCURO HAS FELT HIMSELF UNDER CONSTANT THREAT. HE HAS MOVED HIS FAMILY FROM THEIR APARTMENT TO SEVERAL DIFFERENT LOCATIONS AND REQUESTED THE EMBASSY'S ASSISTANCE TO GUARANTEE HIS PERSONAL SECURITY AND THAT OF HIS FAMILY. EMBASSY LIMITED OFFICIAL USE

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SECURITY OFFICER ASSISTED MERCURO IN OBTAINING POLICE PROTECTION.

6. ON MONDAY EVENING, MAY 26, SUWIT RAWIWONG OF THE STEVEDORE'S UNION, A PROMINENT LABOR LEADER AND FORMER IV GRANTEE, AND REPRESENTATIVES OF THE STRIKING WORKERS BRIEFED THE LABOR REPORTING OFFICER (LRO) ON THE ISSUES OF THE STRIKE.

7. IN A MEETING THE NEXT DAY AT THE EMBASSY WITH REPRESENTATIVES OF FIRESTONE, MANAGEMENT BRIEFED THE LRO ON THE COMPANY'S POSITION. MANAGEMENT SEEMED READY TO RESUME TALKS IF THE ATMOSPHERE OF THREATS AND INTIMIDATION CEASED AND IF THE STRIKERS AGREED TO PRESENT MORE REASONABLE DEMANDS.

8. IN A FURTHER EFFORT TO GET THE DISPUTE SETTLED, FIRESTONE HAS CONTACTED, THROUGH ONE OF ITS THAI DIRECTORS, THE OFFICE OF THE PRIME MINISTER. THE COMPANY PLANS TO SUBMIT AT THE PRIME MINISTER'S REQUEST A LIST OF THE STRIKERS' DEMANDS AND THE COMPANY'S BEST OFFERS. PRESUMABLY THE PRIME MINISTER INTENDS TO USE THIS INFORMATION IN AN EFFORT TO GET TALKS BETWEEN THE TWO PARTIES GOING AGAIN.

9. COMMENT: NEWS OF THE THREATENED VIOLENCE THAT HAS CHARACTERIZED THIS DISPUTE AND THE WEAK AND UNACCEPTABLE ROLE PLAYED BY THE RTG LABOR DEPARTMENT WILL NO DOUBT SPREAD ITS WAY THROUGHOUT THE AMERICAN BUSINESS COMMUNITY TO THE FURTHER DETRIMENT OF THE INVESTMENT CLIMATE IN THAILAND. THE LABOR DEPARTMENT IN PARTICULAR HAS COME IN FOR HEAVY ATTACK FROM ALL SIDES OF LATE. EMPLOYERS CLAIM, WITH MUCH JUSTIFICATION, THAT THE LABOR DEPARTMENT RARELY IF EVER ATTEMPTS TO ENFORCE THE THAI LABOR LAW AGAINST THE LABORERS. THE LABOR DEPARTMENT IS IN SERIOUS DANGER OF LOSING ALL CHANCE TO ACT THE ROLE OF AN IMPARTIAL MEDIATOR. IN THE ABSENCE OF ANY RESTRAINING GOVERNMENTAL AUTHORITY, LABOR-MANAGEMENT RELATIONS ARE IN SERIOUS DANGER OF A PRECIPITIOUS DECLINE.
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